

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER: <b>02-18</b>	2. STATE <b>Louisiana</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>October 14, 2002</b>	

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: <b>42 CFR 440.155 and 431.120</b>	7. FEDERAL BUDGET IMPACT: a. FFY <u>2003</u> <u>\$313.63</u> b. FFY <u>2004</u> <u>\$0.00</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-D, Page 9.h.</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Same (TN 95-01)</b>

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to revise the reimbursement methodology for state-operated nursing facilities in order to reimburse these facilities in accordance with the Medicare upper payment limit.**


11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☒ OTHER, AS SPECIFIED: **The Governor does not review state plan material**

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

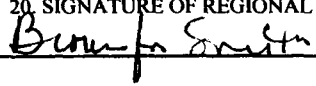
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: <b>State of Louisiana Department of Health and Hospitals 1201 Capitol Access Road PO Box 91030 Baton Rouge, LA 70821-9030</b>
13. TYPED NAME: <b>David W. Hood</b>	
14. TITLE: <b>Secretary</b>	
15. DATE SUBMITTED: <b>December 12, 2002</b>	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: <b>December 17, 2002</b>	18. DATE APPROVED: <b>MAY 16 2003</b>
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>October 14, 2002</b>	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: <b>Charlene Brown</b>	22. TITLE: <b>Deputy Director, CMsO</b>

23. REMARKS:

STATE OF LOUISIANA

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D. Reimbursement for State Nursing Facilities

Reimbursement for state operated nursing facilities shall be based on aggregate prospective payment rates. The aggregate prospective payment rates for these facilities will be calculated on a quarterly basis using the state's best estimate of what facilities would be paid under Medicare's prospective payment system for skilled nursing facilities. The acuity measurements used in the quarterly rate calculations will be the acuity of each facility's Medicaid residents, as determined under Medicare's 44 Resource Utilization Group (RUG) classification methodology.

The state's best estimate of what facilities would be paid under Medicare's prospective payment system for skilled nursing facilities will be calculated using the most current minimum data set (MDS) assessment for each Medicaid resident as of the first day of each quarter. The most current MDS assessment for each Medicaid resident as of the first day of each quarter will be used to determine the correct 5.12 RUG-III grouper code and the applicable Medicare PPS rate. The Medicare PPS urban and rural rate tables in effect as of the first day of each quarter will be used. These rates will be adjusted by the appropriate wage indices to determine Medicare PPS rates effective the first day of each quarter for each state owned or operated facility. The resulting rates will be multiplied by the number of Medicaid residents in each RUG category, summed and then averaged to determine each facility's estimated Medicaid resident weighted average rate using Medicare's prospective payment system.

Adjustment to the calculation of the upper payment limit is necessary to account for the differences in coverage between the Medicare PPS rate, and what Louisiana Medicaid covers within the daily rate. Adjustments to these gross Medicare prospective payment rates will be made to account for differences in coverage between the Medicare and Medicaid programs based on Medicare's principles of reimbursement and methods of cost apportionment contained in the HIM-15 manual that are applicable to skilled nursing facilities. These adjustments will be made for laboratory services, radiology (x-ray) services and pharmaceuticals, based on quarterly facility specific per diem amounts for these services provide by Medicaid to nursing facility residents but not covered by the Medicaid nursing facility per diem.

Cost reports shall be filed and subject to desk review and audit by Bureau personnel or their contractual representatives. Desk reviews shall be performed on all cost reports while full-scope audits shall be performed in accordance with the criteria established for nursing facilities.

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TN# 02-18  
Supersedes

Approval Date MAY 16 2003

Effective Date Oct. 14, 2002

TN# 95-01